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DEPARTMENT OF COMMERCE

International Trade Administration

A-523-801

Circular Welded Carbon-Quality Steel Pipe from the Sultanate of Oman: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*.]

SUMMARY: The Department of Commerce (the Department) preliminarily determines that circular welded carbon-quality steel pipe (certain steel pipe) from the Sultanate of Oman (Oman) is being, or is likely to be, sold in the United States at less than fair value, as provided in section 733(b) of the Tariff Act of 1930, as amended (the Act). The estimated dumping margins are listed in the “Suspension of Liquidation” section of this notice. Interested parties are invited to comment on this preliminary determination.

Pursuant to requests from interested parties, we are postponing for 60 days the final determination and extending provisional measures from a four-month period to not more than six months. Accordingly, we will make our final determination not later than 135 days after publication of the preliminary determination.

FOR FURTHER INFORMATION CONTACT: John Drury or Ericka Ukrow, AD/CVD

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## SUPPLEMENTARY INFORMATION:

### *Background*

On October 26, 2011, the Department received properly filed petitions concerning imports of certain steel pipe from India, Oman, the United Arab Emirates (UAE), and the Socialist Republic of Vietnam (Vietnam) on behalf of Allied Tube and Conduit, JMC Steel Group, Wheatland Tube Company (Wheatland Tube), and United States Steel Corporation (collectively, petitioners).<sup>1</sup>

On November 15, 2011, the Department initiated the antidumping duty investigation on certain steel pipe from India, Oman, the UAE, and Vietnam.<sup>2</sup> The Department set aside a period of time for parties to raise issues regarding product coverage and invited all parties to submit comments within 20 calendar days of publication of the *Initiation Notice*.<sup>3</sup> The Department also set aside a time for parties to comment on product characteristics for use in the antidumping duty questionnaire.<sup>4</sup> Since the *Initiation Notice*, the following events have occurred.

On November 22, 2011, the Department notified all interested parties of its intent to select mandatory respondents for this investigation based on U.S. import data obtained from U.S. Customs and Border Protection (CBP) and set aside a period of time for parties to comment on the potential respondent selection. Parties were invited to submit comments within five calendar days from the date of that memorandum.<sup>5</sup>

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<sup>1</sup> See Circular Welded Carbon-Quality Steel Pipe from India, Oman, the UAE, and Vietnam: Antidumping and Countervailing Duty Petitions, October 26, 2011 (hereinafter, the Petitions).

<sup>2</sup> See *Circular Welded Carbon-Quality Steel Pipe From India, the Sultanate of Oman, the United Arab Emirates, and the Socialist Republic of Vietnam: Initiation of Antidumping Duty Investigations*, 76 FR 72164 (November 22, 2011) (*Initiation Notice*).

<sup>3</sup> See *Initiation Notice*, 76 FR at 72164; see also *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

<sup>4</sup> See *Initiation Notice*, 76 FR at 72164-65; see also *Preamble*, 62 FR at 27323.

<sup>5</sup> See Memorandum from Angelica Mendoza, Program Manager, to All Interested Parties, dated November 22, 2011.

On December 5, 2011, we received scope comments from SeAH Steel Vina Corp. (SeAH VINA), a producer in the companion antidumping and countervailing duty investigations involving Vietnam.<sup>6</sup> We received rebuttal comments regarding the scope of the investigation from petitioners on December 14, 2011.<sup>7</sup> After reviewing all comments, we have adopted the “Scope of Investigation” section of this notice, below. On December 9, 2011, we received comments regarding physical product characteristics from a producer named Universal Tube and Plastics Industries, Ltd. (UTP) and its U.S. affiliate, Prime Metal Corporation USA (Prime Metal) in the companion antidumping and countervailing duty investigations involving the UAE.<sup>8</sup> We received no rebuttal comments concerning product characteristics from interested parties. After reviewing all comments, we have adopted the product characteristics and hierarchy as explained in the “Product Comparisons” section of this notice, below.

On December 16, 2011, the United States International Trade Commission (ITC) published its affirmative preliminary determination that there is a reasonable indication that imports of certain steel pipe from India, Oman, the UAE, and Vietnam are materially injuring the U.S. industry, and the ITC notified the Department of its finding.<sup>9</sup>

On December 21, 2011, the Department selected Al Jazeera Steel Products Co. SAOG (Al Jazeera) as the mandatory respondent in this investigation and issued the Department’s antidumping duty questionnaire to this respondent on December 22, 2011.<sup>10</sup>

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<sup>6</sup> See Letter from SeAH VINA to the Department, dated December 5, 2011 (Scope Comments Letter).

<sup>7</sup> See Letter from petitioners to the Department, dated December 14, 2011 (Scope Rebuttal Comments Letter).

<sup>8</sup> See Letter from Prime Metal Corporation USA and Universal Tube Plastic Industries, Ltd. to the Department, dated December 9, 2011 (Product Characteristics Letter).

<sup>9</sup> See *Circular Welded Carbon-Quality Steel Pipe from India, Oman, the United Arab Emirates, and Vietnam*, Investigation Nos. 701-TA- 482-485 and 731-TA-1191-1194 (Preliminary), 76 FR 78313 (December 16, 2011).

<sup>10</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, from Richard O. Weible, Director, Office 7, titled “Circular Welded Carbon-Quality Steel Pipe from the Sultanate of Oman (Oman): Respondent Selection Memorandum,” dated December 21, 2011.

Al Jazeera submitted its response to section A of the Department's antidumping duty questionnaire on January 26, 2012, which was rejected by the Department due to a filing error. It was resubmitted on March 6, 2012.<sup>11</sup> On February 9, 2012, Al Jazeera filed its responses to sections B (*i.e.*, the section covering comparison market sales, BQR) and C (*i.e.*, the section covering U.S. sales, CQR) of the Department's antidumping duty questionnaire.<sup>12</sup>

On February 17, 2012, the Department received an allegation from petitioners that home market sales made by Al Jazeera were made at prices below the cost of production.<sup>13</sup> On February 29, 2012, petitioners made a timely request pursuant to section 733(c)(1)(A) of the Act and 19 CFR 351.205(e) for a postponement of the preliminary determination. On March 8, 2012, the Department initiated a sales-below-cost of production investigation with respect to Al Jazeera.<sup>14</sup> Accordingly, the Department requested Al Jazeera to respond to section D (*i.e.*, the section covering the cost of production (COP) and constructed value (CV)) of the Department's antidumping duty questionnaire.

On March 16, 2012, the Department postponed the preliminary determination of this investigation until May 23, 2012.<sup>15</sup> On March 19, 2012, the Department issued its first supplemental questionnaire concerning Al Jazeera's section A-C responses.<sup>16</sup>

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<sup>11</sup> See Memorandum to The File, from John K. Drury, International Trade Compliance Analyst, Office 7, titled "Antidumping Duty Investigation on Circular Welded Carbon-Quality Steel Pipe from the Sultanate of Oman: Rejection of Submission," dated March 7, 2012.

<sup>12</sup> See Letter from Al Jazeera to the Department, dated February 9, 2012.

<sup>13</sup> See Letter from Allied Tube and Conduit and JMC Steel Group to the Department (Below Cost Allegation Letter) at 1-7, dated February 17, 2012.

<sup>14</sup> See Memorandum to Richard O. Weible, Director, Office 7, titled, "The Petitioners' Allegation of Sales Below the Cost of Production for Al Jazeera Steel Products Co. SAOG," from the Team (Al Jazeera Cost Initiation Memo), dated March 8, 2012.

<sup>15</sup> See *Circular Welded Carbon-Quality Steel Pipe From India, the Sultanate of Oman, the United Arab Emirates, and the Socialist Republic of Vietnam: Postponement of Preliminary Determinations of Antidumping Duty Investigations*, 77 FR 15718 (March 16, 2012).

<sup>16</sup> See Letter from the Department Al Jazeera, dated March 19, 2012.

On April 3, 2012, petitioner Wheatland Tube filed an allegation that targeted dumping was occurring with respect to certain steel pipe produced and exported from Oman by Al Jazeera. See the “Allegation of Targeted Dumping” section below.

Al Jazeera submitted its responses to the Department’s first supplemental questionnaire (FSQR) and its section D questionnaire (DQR) on April 9, 2012.<sup>17</sup> Petitioners Allied Tube and Conduit and the JMC Steel Group submitted comments on Al Jazeera’s DQR on April 11, 2012.<sup>18</sup> Additionally, on April 12, 2012, Al Jazeera filed comments concerning petitioner Wheatland Tube’s targeted dumping allegation.<sup>19</sup>

On April 18, 2012, the Department issued a second supplemental questionnaire covering Al Jazeera’s section A-C first supplemental response.<sup>20</sup> On April 30, 2012, the Department issued a supplemental questionnaire covering Al Jazeera’s section D response.<sup>21</sup> On May 4, 2012, we received the second supplemental response (SSQR) and revised home market and U.S. sales databases from Al Jazeera.<sup>22</sup> A revised cost database was submitted by Al Jazeera on May 9, 2012.<sup>23</sup> On May 15, 2012, we received comments from petitioners regarding the information submitted by Al Jazeera in response to the Department’s antidumping duty questionnaire.<sup>24</sup> We received the supplemental cost (*i.e.*, section D) response (SDQR) from Al Jazeera on May 21, 2012, as well as an updated cost database.<sup>25</sup>

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<sup>17</sup> See Letter from Al Jazeera to the Department, dated April 9, 2012.

<sup>18</sup> See Letter from Allied Tube and Conduit and the JMC Steel Group to the Department, dated April 11, 2012.

<sup>19</sup> See Letter from Al Jazeera to the Department, dated April 12, 2012.

<sup>20</sup> See Letter from the Department to Al Jazeera, dated April 18, 2012.

<sup>21</sup> See Letter from the Department to Al Jazeera, dated April 30, 2012.

<sup>22</sup> See Letter from Al Jazeera to the Department, dated May 4, 2012.

<sup>23</sup> See Letter from Al Jazeera to the Department, dated May 9, 2012.

<sup>24</sup> See Letter from Allied Tube and Conduit and the JMC Steel Group to the Department, dated May 15, 2012.

<sup>25</sup> See Letter from Al Jazeera to the Department, dated May 21, 2012.

### *Period of Investigation*

The period of investigation (POI) is October 1, 2010, to September 30, 2011. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition. *See* 19 CFR 351.204(b)(1).

### *Scope of Investigation*

The products covered by this investigation are circular welded carbon-quality steel pipe from Oman. For a full description of the scope of the investigation, as set forth in the *Initiation Notice*, see the “Scope of the Investigation” in Appendix I of this notice.

### *Scope Comments*

As noted above, on December 5, 2011, SeAH VINA, a mandatory respondent in the concurrent AD and CVD investigations of certain steel pipe from Vietnam, filed comments arguing that the treatment of double and triple stenciled pipe in the scope of these investigations differs from previous treatment of these products under other orders on circular welded pipe.<sup>26</sup> Specifically, SeAH VINA claims that the Brazilian, Korean, and Mexican orders on these products exclude “Standard pipe that is dual or triple certified/stenciled that enters the U.S. as line pipe of a kind used for oil and gas pipelines...”<sup>27</sup> According to SeAH VINA: (i) if the term “class or kind of merchandise” has meaning, it cannot have a different meaning when applied to the same products in two different cases; and (ii) the distinction between standard and line pipe reflected in the Brazil, Korean, and Mexican orders derives from customs classifications administered by CBP and, thus, is more administrable.<sup>28</sup>

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<sup>26</sup> See Scope Comments Letter at pages 1-4.

<sup>27</sup> *Id.* at 2. See also *Certain Circular Welded Non-Alloy Steel Pipe from Brazil, the Republic of Korea, and Taiwan; and Certain Circular Welded Carbon Steel Pipes and Tubes From Taiwan: Final Results of the Expedited Third Sunset Reviews of the Antidumping Duty Order*, 76 FR 66899, 66900 (October 28, 2011).

<sup>28</sup> See Scope Comments Letter at page 3.

On December 14, 2011, Allied Tube and Conduit, JMC Steel Group, and Wheatland Tube (collectively, certain petitioners), responded to SeAH VINA's comments stating that the scope as it appeared in the *Initiation Notice* reflected petitioners' intended coverage. More specifically, certain petitioners contend that pipe that is multi-stenciled to both line pipe and standard pipe specifications and meets the physical characteristics listed in the scope (*i.e.*, is 32 feet in length or less; is less than 2.0 inches (50mm) in outside diameter; has a galvanized and/or painted (*e.g.*, polyester coated) surface finish; or has a threaded and/or coupled end finish) is ordinarily used in standard pipe applications.<sup>29</sup> Certain petitioners state that, in recent years, the Department has rejected end-use scope classifications, preferring instead to rely on physical characteristics to define coverage, and the scope of these investigations has been written accordingly.<sup>30</sup> Therefore, certain petitioners ask the Department to reject SeAH VINA's proposed scope modification.

We agree with certain petitioners that the Department seeks to define the scopes of its proceedings based on the physical characteristics of the merchandise. *See Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances: Circular Welded Carbon Quality Steel Pipe from the People's Republic of China*, 73 FR 31970 (June 5, 2008), and accompanying Issues and Decision Memorandum at Comment 1. Moreover, we disagree with SeAH VINA's contention that once a "class or kind of merchandise" has been established that the same scope description must apply across all proceedings involving the product. For example, as the Department has gained experience in administering antidumping duty and countervailing duty orders, it has shifted away from end use classifications to scopes defined by the physical characteristics. *Id.* Thus, proceedings initiated

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<sup>29</sup> *See* Scope Rebuttal Comments Letter at 3.

<sup>30</sup> *Id.*

on a given product many years ago may have end use classifications while more recent proceedings on the product would not. *Compare, e.g., Countervailing Duty Order: Oil Country Tubular Goods from Canada*, 51 FR 21783, 21783 (June 16, 1986) (describing subject merchandise as being “intended for use in drilling for oil and gas”), *with Certain Oil Country Tubular Goods From the People’s Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 75 FR 3203-04 (January 20, 2010) (describing the subject merchandise in terms of physical characteristics without regard to use or intended use). Finally, certain petitioners have indicated that the domestic industry’s intent is to include multi-stenciled products that otherwise meet the physical characteristics set out in the scope.<sup>31</sup> Therefore, for the reasons provided, the Department is not adopting SeAH VINA’s proposed modification of the scope.

#### *Product Comparisons*

We have considered the comments that were submitted by the interested parties concerning product-comparison criteria. The Department established the appropriate product characteristics to use as a basis for defining models and, when necessary, for comparing similar models, for this and the concurrent antidumping duty investigations of certain steel pipe from the UAE and Vietnam.<sup>32</sup> The comments raised regarding product comparisons are being addressed in all four of the concurrent antidumping duty investigations.

The Department identified five criteria for matching U.S. sales of subject merchandise to normal value (specification/grade, diameter, wall thickness, coating, and end finish) and, as noted above, gave parties to this and the concurrent AD investigations an opportunity to

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<sup>31</sup> *Id.* at 6.

<sup>32</sup> The Department did not perform a product-specific comparisons analysis for the investigation of certain steel pipe from India as the Department relied on Facts Available to determine the margin.



comment within a certain deadline.<sup>33</sup> The only timely comments submitted were from UTP and its U.S. affiliate, Prime Metal. UTP and Prime Metal requested that the placement of the coating characteristic in the model match hierarchy be adjusted from that proposed by the Department, so that it would be the highest in the hierarchy.<sup>34</sup> UTP and Prime Metal argued that the coating characteristic should be highest in the hierarchy of product characteristics because significant cost and price differences are associated with whether or not pipes are coated with zinc (galvanized), and because of differences in end uses between galvanized pipes and pipes that are not galvanized.<sup>35</sup>

None of the interested parties objected to the inclusion of the coating product characteristic in the hierarchy, and none of the interested parties in the four concurrent certain steel pipe antidumping investigations (India, Oman, UAE, and Vietnam), other than UTP and its U.S. affiliate Prime Metal, suggested during the time allotted for comments on model match issues that the placement of the coating product characteristic in the model match hierarchy should be changed from that originally proposed by the Department.

The Department is not modifying the model match hierarchy that it originally proposed to incorporate the suggestion of UTP and Prime Metal. The goal of the product characteristic hierarchy is to identify the best possible matches with respect to the characteristics of the merchandise. While variations in cost may suggest the existence of variation in product characteristics, such variations do not constitute differences in products in and of themselves. Furthermore, the magnitude of variations in cost may differ from company to company, and even for a given company over time, and therefore do not, in and of themselves, provide a reliable

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<sup>33</sup> See *Initiation Notice*, 76 FR at 72164.

<sup>34</sup> See *Product Characteristics Letter* at pages 2-4.

<sup>35</sup> *Id.*

basis for identifying the relative importance of different product characteristics. The Department has noted that for defining products and creating a model match hierarchy, “{t}he physical characteristics are used to distinguish the differences among products across the industry,” that “{c}ost is not the primary factor for establishing these characteristics,” and, in short, “{c}ost variations are not the determining factor in assigning product characteristics for model-matching purposes.” *See Stainless Steel Wire Rod from Sweden: Final Results of Antidumping Duty Administrative Review*, 73 FR 12950 (March 11, 2008), and accompanying Issues and Decision Memorandum at Comment 1.<sup>36</sup>

UTP and Prime Metal also refer to price and end-use differences regarding galvanized versus non-galvanized pipe, but the Department’s proposed hierarchy for the certain steel pipe antidumping duty investigations did include coating as a characteristic because whether or not the product is coated (*e.g.*, galvanized) is important enough to distinguish products from one another. *See, e.g.*, “Scope of the Investigation” in Appendix I. However, differences in other product characteristics also influence potential end uses. Neither UTP nor Prime Metal demonstrated why the coating product characteristic should be considered the most important of all when defining models and for comparison purposes and, as noted above, no other interested parties argued for such a change in a timely manner.

Therefore, as noted above, the Department is not modifying the hierarchy it proposed at the outset of the AD investigations and included in the questionnaires it issued to the respondents.

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<sup>36</sup> Also, the Department’s “...selection of model match characteristics {is based} on unique measurable physical characteristics that the product can possess” and “differences in price or cost, standing alone, are not sufficient to warrant inclusion in the Department’s model-match of characteristics which a respondent claims to be the cause of such differences.” *See Notice of Final Determination of Sales at Less Than Fair Value; Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products from Turkey*, 65 FR 15123 (March 21, 2000), and accompanying Issues and Decision Memorandum at Model Match Comment 1.

In accordance with section 771(16) of the Act, all products produced by Al Jazeera, covered by the description in the “Scope of Investigation” section in Appendix I and sold in Oman during the POI, are considered to be foreign like product for purposes of determining appropriate product comparisons to U.S. sales. We have relied on the above mentioned five criteria to match U.S. sales of subject merchandise to comparison-market sales of the foreign like product. Where there were no sales of identical merchandise in the home market to compare to subject merchandise sold in the United States, we compared these U.S. sales to home-market sales of the most-similar, foreign like product on the basis of the reported product characteristics and instructions provided in the antidumping questionnaire, which were made in the ordinary course of trade. Where we were unable to find a home market match of such or similar merchandise, in accordance with section 773(a)(4) of the Act, we based NV on CV. Where appropriate, we made adjustments to CV in accordance with section 773(a)(8) of the Act.

#### *Date of Sale*

19 CFR 351.401(i) states that, in identifying the date of sale of the merchandise under consideration or foreign like product, the Secretary normally will use the date of invoice, as recorded in the exporter or producer’s records kept in the ordinary course of business. Additionally, the Secretary may use a date other than the date of invoice if the Secretary is satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale.<sup>37</sup> The Court of International Trade (CIT) has stated that a “party seeking to establish a date of sale other than invoice date bears the burden of producing sufficient evidence to ‘satisfy’ the Department that a different date better reflects the date on which the

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<sup>37</sup> See 19 CFR 351.401(i); see also *Allied Tube & Conduit Corp. v. United States*, 132 F. Supp. 2d 1087, 1090 (CIT 2001) (quoting 19 CFR 351.401(i)) (*Allied Tube*).

exporter or producer establishes the material terms of sale.”<sup>38</sup> Alternatively, the Department may exercise its discretion to rely on a date other than invoice date if the Department “provides a rational explanation as to why the alternative date ‘better reflects’ the date when ‘material terms’ are established.”<sup>39</sup> The date of sale is generally the date on which the parties establish the material terms of the sale,<sup>40</sup> which normally includes the price, quantity, delivery terms and payment terms.<sup>41</sup>

In this case, Al Jazeera reported the invoice date as the home market date of sale and argued that the U.S. date of sale should be the purchase order date because U.S. sales are produced to order. Al Jazeera explains that once a purchase order is confirmed by the U.S. customer, there are no changes in the material terms of sale. Al Jazeera notes that quantity can change but remains within specified weight tolerances. *See* Al Jazeera’s AQR at 15, CQR at 62, FSQR at 4-7 and 21. Per the Department’s request, Al Jazeera provided a concordance table that showed ordered quantities and prices versus actual shipped quantities and prices for all confirmed purchase orders and shipments during the POI. *See* Al Jazeera’s SSQR at 8-11 and Exhibit 4. This table showed few instances in which shipments fell outside of the purchase order tolerance for quantity and, therefore, the material terms of sale changed from order to invoice. However, in comparing the information submitted in the table to the reported U.S. sales database, we noted that information in the database regarding invoice dates, actual sales, and purchase order dates, was missing. *See* Al Jazeera’s SSQR at Exhibit 4 and U.S. sales database (“ajsp\_us03”). Due to the insufficient information on the record, the Department is unable to ascertain that the purchase order date satisfies the Department’s definition of the date of sale and,

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<sup>38</sup> *See Allied Tube*, 132 F. Supp. 2d at 1090 (brackets and citation omitted).

<sup>39</sup> *SeAH Steel Corp. v. United States*, 25 C.I.T. 133, 135 (Ct. Int’l Trade 2001).

<sup>40</sup> 19 CFR 351.401(i).

<sup>41</sup> *See USEC Inc. v. United States*, 31 C.I.T. 1049, 1055 (Ct. Int’l Trade 2007).

therefore, whether it is appropriate to use it as the U.S. date of sale. Accordingly, consistent with the relevant regulation, the Department has determined to use invoice date as the U.S. date of sale for purposes of this preliminary determination. *See* 19 CFR 351.401(i).

In accordance with this determination, we are excluding from our analysis those sales which are known to be based on purchase order contracts executed in the POI but shipped outside of the POI because it is unclear whether the material terms of these sales were set during the POI. In addition, we have included sales pursuant to purchase orders executed prior to, or during, the POI, and shipped during the POI. We will further examine whether there is other information that denotes a more appropriate date of sale as it is unclear from the record whether the material terms of these sales were set prior to the POI. We intend to issue a supplemental questionnaire to Al Jazeera to address the inconsistencies found. For further details, *see* Memorandum to The File, through Angelica Mendoza, Program Manager, from John Drury and Ericka Ukrow, International Trade Analysts, titled “Analysis Memorandum for the Preliminary Determination of the Antidumping Duty Investigation of Circular Welded Carbon-Quality Steel Pipe from the Sultanate of Oman: Al Jazeera Steel Products Co. SAOG,” dated May 23, 2012 (Al Jazeera Preliminary Analysis Memorandum).

#### *Targeted Dumping Allegation*

The statute allows the Department to employ the average-to-transaction margin-calculation methodology under the following circumstances: (1) There is a pattern of export prices that differ significantly among purchasers, regions, or periods of time; and (2) the Department explains why such differences cannot be taken into account using the average-to-average or transaction-to-transaction methodology. *See* section 777A(d)(1)(B) of the Act.

On April 3, 2012, petitioner Wheatland Tube submitted timely allegations of targeted dumping with respect to Al Jazeera and asserted that the Department should apply the average to-transaction methodology in calculating the margins for this respondent.<sup>42</sup> In its allegations, petitioner Wheatland Tube asserted that there are patterns of U.S. sales prices for comparable merchandise that differ significantly among purchasers, time periods, and regions. Petitioner Wheatland Tube relied on the Department's targeted dumping test in *Certain Steel Nails From the United Arab Emirates: Notice of Final Determination of Sales at Not Less Than Fair Value*, 73 FR 33985 (June 16, 2008), and *Certain Steel Nails From the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances*, 73 FR 33977 (June 16, 2008) (collectively, *Nails*), as applied in more recent investigations such as *Multilayered Wood Flooring from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value*, 76 FR 30656, 30659–60 (May 26, 2011). See petitioner Wheatland Tube's Submission of Targeted Dumping Allegations dated April 3, 2012, at pages 2–5.

#### A. Targeted Dumping Test

We conducted customer, time-period, and region targeted dumping analyses for Al Jazeera using the methodology we adopted in *Nails* and most recently articulated in *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From Indonesia: Final Determination of Sales at Less Than Fair Value*, 75 FR 59223 (September 27, 2010) (*Coated Paper*), and accompanying Issues and Decision Memorandum at Comment 1; and *Multilayered Wood Flooring From the Peoples Republic of China: Final Determination of Sales*

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<sup>42</sup> See Letter from Wheatland Tube (petitioner) to the Department, dated April 3, 2012.

*at Less Than Fair Value*, 76 FR 64318 (October 18, 2011) (*Wood Flooring*), and accompanying Issues and Decision Memorandum at Comment 4.

The methodology we employed involves a two-stage test; the first stage addresses the pattern requirement and the second stage addresses the significant-difference requirement. *See* section 777A(d)(1)(B)(i) of the Act, *Nails*, *Coated Paper*, and *Wood Flooring*. In this test, we made all price comparisons on the basis of identical merchandise (*i.e.*, by control number (CONNUM)). We based all of our targeted dumping calculations on the U.S. net price, which we determined for U.S. sales by Al Jazeera in our standard margin calculations. For further discussion of the test and results, *see* the Al Jazeera Preliminary Analysis Memorandum. As a result of our analysis, we preliminarily determine that there is a pattern of U.S. prices for comparable merchandise that differs significantly among certain regions and time periods for Al Jazeera in accordance with section 777A(d)(1)(B)(i) of the Act and our current practice as discussed in *Nails*, *Wood Flooring*, and *Coated Paper*.

#### *B. Price Comparison Method*

Section 777A(d)(1)(B)(ii) of the Act states that the Department may compare the weighted average of the NV to export prices (EPs) (or constructed export prices (CEPs)) of individual transactions for comparable merchandise if the Department explains why differences in the patterns of EPs (or CEPs) cannot be taken into account using the average-to-average methodology. As described above, we preliminarily determine that, with respect to sales by Al Jazeera, for certain regions and time periods there was a pattern of prices that differed significantly. We find that these differences cannot be taken into account using the standard average-to average methodology because the average-to-average methodology conceals differences in the patterns of prices between the targeted and non-targeted groups by averaging

low-priced sales to the targeted group with high-priced sales to the non-targeted group. Therefore, pursuant to section 777A(d)(1)(B) of the Act, for the preliminary determination we find that the standard average-to-average methodology does not take into account Al Jazeera's price differences because the standard methodology masks dumping that is unmasked by application of the alternative average-to-transaction comparison method to all of Al Jazeera's U.S. sales. Accordingly, for this preliminary determination, we applied the average-to-transaction methodology to all U.S. sales made by Al Jazeera. *See* the Al Jazeera Preliminary Analysis Memorandum for further discussion.

#### *Fair Value Comparisons*

To determine whether Al Jazeera's sales of certain steel pipe from Oman to the United States were made at LTFV during the POI, we compared the EP of these U.S. sales NV or CV, as appropriate, as described in the "Export Price" and "Normal Value" sections of this notice. In accordance with section 777A(d)(1)(B) of the Act, we compared POI transaction-specific EPs to POI weighted-average NVs of foreign like product where there were sales made in the ordinary course of trade, as discussed in the "Price-to-Price Comparisons" section below.

#### *Export Price*

Section 772(a) of the Act defines EP as "the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States, as adjusted under subsection (c)."

For purposes of this preliminary determination, we calculated EP for Al Jazeera, in accordance with section 772(a) of the Act, because the merchandise was sold, prior to



exportation by the producer, outside of the United States to the first unaffiliated purchaser in the United States. For Al Jazeera, we calculated EP based on the packed price that was charged to the first unaffiliated U.S. customer. We made deductions for movement expenses, where appropriate, in accordance with section 772(c)(2)(A) of the Act, including deductions for foreign inland freight (plant/warehouse to the border), ocean freight, and brokerage and handling. We also made adjustments, where appropriate, for credit expenses, certain direct selling expenses (including commissions and bank charges), and billing adjustments. *See* the Al Jazeera Preliminary Analysis Memorandum for a detailed discussion of these adjustments.

#### *Normal Value*

##### *A. Home Market Viability and Comparison-Market Selection*

To determine whether there is a sufficient volume of sales of certain steel pipe in the home market to serve as a viable basis for calculating NV (*i.e.*, the aggregate volume of home market sales of the foreign like product is equal to or greater than five percent of the aggregate volume of U.S. sales), we compared respondent's volume of home market sales of the foreign like product to its volume of U.S. sales of the subject merchandise during the POI. *See* section 773(a)(1)(B) of the Act. Based on this comparison, we determined that Al Jazeera had a viable home market during the POI. Consequently, we based NV on Al Jazeera's home market sales.

##### *B. Affiliated Party Transactions and Arm's-Length Test*

Pursuant to its regulations, the Department may use prices from sales made to affiliated parties if the price is comparable to the price at which the exporter or producer sold the foreign like product to a non-affiliate. *See* 19 CFR 351.403(c). However, the Department will not calculate NV based on the sale to an affiliated party if sales of the foreign like product by an exporter or producer to affiliated parties account for less than five percent of the total value (or

quantity) of the exporter's or producer's sales of the foreign like product in the market in question, or if sales to the affiliated party are comparable, as defined in 19 CFR 351.403(c). *See* 19 CFR 351.403(d). During the POI, Al Jazeera sold the foreign like product to an affiliated customer. However, these sales constituted less than five percent of Al Jazeera's total aggregate sales of foreign like product in the home market. *See* Al Jazeera's FSQR at 3, 9, and Exhibit 4. Accordingly, and pursuant to the Department's regulations, we have not used any of Al Jazeera's sales to the affiliated customer as all of these sales failed the arm's length test.

### *C. Level of Trade*

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade (LOT) as the EP or CEP. *See also* section 773(a)(7) of the Act. The LOT for NV is based on the starting prices of sales in the home market or, when NV is based on CV, those of the sales from which we derived selling, general, and administrative expenses and profit. *See* 19 CFR 351.412(c)(1)(iii). For EP, the LOT is based on the starting price, which is usually the price from the exporter to the importer. *See* 19 CFR 351.412(c)(1)(i). In this investigation, Al Jazeera reported only EP sales to the United States.<sup>43</sup>

To determine if the home-market sales are made at a different LOT than EP sales, we examined stages in the marketing process and the selling functions performed along the chain of distribution between the producer and the unaffiliated customer. *See* 19 CFR 351.412(c)(2). If home-market sales are at a different LOT, as manifested in a pattern of consistent price differences between the sales on which NV is based and home-market sales made at the LOT of the export transaction, and the difference affects price comparability, then we make a LOT

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<sup>43</sup> *See* AQR at Exhibit 1, CQR database.

adjustment to NV under section 773(a)(7)(A) of the Act and 19 CFR 351.412. *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa*, 62 FR 61731, 61733 (November 19, 1997).

In this investigation, we obtained information from Al Jazeera regarding the marketing stages involved in making their reported home market and U.S. market sales, including a description of the selling activities performed by Al Jazeera for each channel of distribution. *See* Al Jazeera's AQR at 11-13 and Attachment 5 (selling activities chart); *see also* Al Jazeera's BQR at 29 and 70. We did not make a LOT adjustment under section 773(a)(7)(A) of the Act and 19 CFR 351.412(e) because we preliminarily find that there was only one home market LOT and one U.S. LOT, and the two were identical. *See* 19 CFR 351.412(d). For a detailed description of our LOT methodology and a summary of Al Jazeera's LOT findings for this preliminary determination, *see* Al Jazeera Preliminary Analysis Memorandum.

#### *D. Cost of Production Analysis*

Based on the Department's analysis of the petitioners' allegation,<sup>44</sup> we initiated a sales-below-cost investigation to determine whether Al Jazeera had sales that were made at prices below their COP pursuant to section 773(b) of the Act. *See* Al Jazeera Cost Initiation Memorandum.

##### *1. Calculation of Cost of Production*

We calculated the COP based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for selling, general, and administrative (SG&A) expenses and packing, in accordance with section 773(b)(3) of the Act. We relied on the COP data submitted by Al Jazeera on May 9, 2012. We did not rely on the COP data submitted by Al Jazeera on

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<sup>44</sup> *See* Below Cost Allegation Letter.

May 21, 2012. Based on the review of record evidence, respondents did not appear to experience significant changes in the cost of manufacturing during the period of investigation. Therefore, we followed our normal methodology of calculating an annual weighted-average cost.

## *2. Test of Comparison Market Prices*

With respect to Al Jazeera, on a product-specific basis, pursuant to section 773(a)(1)(B)(i) of the Act, we compared the adjusted weighted-average COP to the home market sales prices of the foreign like product, in order to determine whether the sale prices were below the COP. For purposes of this comparison, we used COP exclusive of selling and packing expenses. The prices were net of billing adjustments, movement charges, discounts, direct and indirect selling expenses and packing expenses, where appropriate. *See* Al Jazeera Preliminary Analysis Memorandum.

## *3. Results of COP Test*

Section 773(b)(1) provides that where sales made at less than the COP “have been made within an extended period of time in substantial quantities” and “were not at prices which permit recovery of all costs within a reasonable period of time” the Department may disregard such sales when calculating NV. Pursuant to section 773(b)(2)(C)(i) of the Act, we did not disregard below-cost sales that were not made in “substantial quantities,” *i.e.*, where less than 20 percent of sales of a given product were at prices less than the COP. We disregarded below-cost sales when they were made in substantial quantities, *i.e.*, where 20 percent or more of a respondent’s sales of a given product were at prices less than the COP and where “the weighted average per unit price of the sales . . . is less than the weighted average per unit cost of production for such sales.” *See* section 773(b)(2)(C)(ii) of the Act. Finally, based on our comparison of prices to the weighted-

average COPs for the POI, we considered whether the prices would permit the recovery of all costs within a reasonable period of time. *See* section 773(b)(2)(D) of the Act.

Therefore, for Al Jazeera, we disregarded below-cost sales of a given CONNUM of 20 percent or more and used the remaining sales as the basis for determining NV, in accordance with section 773(b)(1) of the Act. *See* Al Jazeera Preliminary Analysis Memorandum.

*E. Calculation of Normal Value Based on Comparison-Market Prices*

We calculated NV for Al Jazeera based on the reported packed, ex-factory or delivered prices to comparison market customers. We made deductions from the starting price, where appropriate, for billing adjustments, inland freight and insurance, pursuant to section 773(a)(6)(B)(ii) of the Act.

Pursuant to section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410(b), we made, where appropriate, circumstance-of-sale adjustments (*i.e.*, bank charges). We added U.S. packing costs and deducted home market packing costs, in accordance with sections 773(a)(6)(A) and (B)(i) of the Act.

When comparing U.S. sales with comparison market sales of similar, but not identical, merchandise, we also made adjustments for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411. We based this adjustment on the difference in the variable cost of manufacturing for the foreign-like product and subject merchandise. *See* 19 CFR 351.411(b). For detailed information on the calculation of normal value, *see* the Al Jazeera Preliminary Analysis Memorandum.

#### *F. Price-to-CV Comparison*

Where we were unable to find a home market match of such or similar merchandise, in accordance with section 773(a)(4) of the Act, we based NV on CV. Where appropriate, we made adjustments to CV in accordance with section 773(a)(8) of the Act.

#### *G. Constructed Value*

In accordance with section 773(e) of the Act, and where applicable, we calculated CV based on the sum of Al Jazeera's material and fabrication costs, SG&A expenses, profit, and U.S. packing costs. We calculated the COP component of CV as described above in the "Cost of Production Analysis" section of this notice. In accordance with section 773(e)(2)(A) of the Act, we based SG&A expenses and profit on the amounts incurred and realized by Al Jazeera in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country.

#### *Currency Conversion*

The Department's preferred source for daily exchange rates is the Federal Reserve Bank.<sup>45</sup> However, the Federal Reserve Bank does not track or publish exchange rates for the Omani Rial. Therefore, pursuant to section 773A of the Act, we made currency conversions from Omani Rials to U.S. dollars based on the daily exchange rates from Factiva, a Dow Jones & Reuters Retrieval Service.

#### *Verification*

As provided in section 782(i)(1) of the Act, we intend to verify the information relied upon in making our final determination for Al Jazeera.

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<sup>45</sup> See *Preliminary Results of Antidumping Duty Administrative Review: Stainless Steel Sheet and Strip in Coils from France*, 68 FR 47049, 47055 (August 7, 2003), unchanged in *Notice of Final Results of Antidumping Duty Administrative Review: Stainless Steel Sheet and Strip in Coils From France*, 68 FR 69379 (December 12, 2003).

### *Preliminary Determination*

The preliminary weighted-average dumping margins are as follows:

Manufacturer/Exporter	Weighted-Average Margin (percent)
Al Jazeera Steel Products Co. SAOG	5.59
All Others	5.59

### *Suspension of Liquidation*

In accordance with section 733(d)(2) of the Act, we will direct CBP to suspend liquidation of all entries of certain steel pipe from Oman that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*.

Consistent with the Department's practice, where the product under investigation is also subject to a concurrent countervailing duty investigation, we instruct CBP to require a cash deposit or posting of a bond equal to the amount by which NV exceeds EP or CEP, less the amount of the countervailing duty determined to constitute an export subsidy.<sup>46</sup> In this case, although the product under investigation is also subject to a concurrent countervailing duty investigation, the Department preliminarily found no countervailable export subsidy.<sup>47</sup>

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<sup>46</sup> See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Carbazole Violet Pigment 23 From India*, 69 FR 67306, 67307 (November 17, 2004).

<sup>47</sup> See *Circular Welded Carbon-Quality Steel Pipe From the Sultanate of Oman: Preliminary Negative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination With Final Antidumping Duty Determination*, 77 FR 19635 (April 2, 2012).

Therefore, we have not offset the cash deposit rates shown above for purposes of this preliminary determination.

We will instruct CBP to require a cash deposit or the posting of a bond equal to the preliminary weighted-average dumping margins indicated in the chart above, as follows: (1) the rate for Al Jazeera will be the rate we have determined in this preliminary determination; (2) if the exporter is not a firm identified in this investigation but the producer is, the rate will be the rate established for the producer of the subject merchandise; (3) the rate for all other producers or exporters will be 5.59 percent, as discussed in the “All-Others Rate” section, below. These suspension of liquidation instructions will remain in effect until further notice.

#### *All Others Rate*

Section 735(c)(5)(A) of the Act provides that the estimated “All Others” rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely under section 776 of the Act. Al Jazeera is the only respondent in this investigation for which the Department has calculated a company-specific rate that is not zero or *de minimis*. Therefore, for purposes of determining the “all others” rate and pursuant to section 735(c)(5)(A) of the Act, we are using the dumping margin calculated for Al Jazeera, 5.59 percent, for the “all others” rate, as referenced in the “Preliminary Determination” section, above.

#### *Disclosure*

The Department intends to disclose to parties the calculations performed in connection with this preliminary determination within five days of the date of publication of this notice. *See* 19 CFR 351.224(b).



### *Postponement of Final Determination and Extension of Provisional Measures*

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioner. The Department's regulations, at 19 CFR 351.210(e)(2), require that requests by respondents for postponement of a final determination be accompanied by a request for extension of provisional measures from a four-month period to not more than six months.

On May 18, 2012, petitioners requested that in the event of a negative preliminary determination in this investigation, the Department postpone its final determination by 60 days (135 days after publication of the preliminary determination) from a four-month period to a six-month period. On May 21, 2012, Al Jazeera also requested that in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination by 60 days (135 days after publication of the preliminary determination) and extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2), from a four-month period to a six-month period.<sup>48</sup> In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because (1) our preliminary determination is affirmative; (2) the requesting producers/exporters account for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, we are granting this request and are postponing the final determination until no later than 135 days after the publication of this notice in the *Federal Register*. Suspension of liquidation will be extended

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<sup>48</sup> See Letter from petitioners (on behalf of certain petitioners) to the Department, dated May 18, 2012, and Letter from Al Jazeera to the Department, dated May 21, 2012.

accordingly. We are also granting the request to extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2) from a four-month period to a six-month period.

#### *ITC Notification*

In accordance with section 733(f) of the Act, we will notify the ITC of our preliminary affirmative determination of sales at less than fair value. If the final determination in this proceeding is affirmative, section 735(b)(2) of the Act requires that the ITC make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of certain steel pipe from Oman before the later of 120 days after the date of this preliminary determination or 45 days after our final determination. Because we are postponing the deadline for our final determination to 135 days from the date of the publication of this preliminary determination, as discussed above, the ITC will make its final determination no later than 45 days after our final determination.

#### *Public Comment*

Interested parties are invited to comment on the preliminary determination. Interested parties may submit case briefs to the Department no later than seven days after the date of the issuance of the last verification report in this proceeding. *See* 19 CFR 351.309(c)(1)(i). Rebuttal briefs, the content of which is limited to the issues raised in the case briefs, must be filed within five days from the deadline date for the submission of case briefs. *See* 19 CFR 351.309(d)(1) and 19 CFR 351.309(d)(2). A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. 19 CFR 351.309(c)(2). Executive summaries should be limited to five pages total, including footnotes. Interested parties, who wish to comment on the preliminary determination, must file briefs

electronically using Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). An electronically filed document must be received successfully in its entirety by the Department's electronic records system, IA ACCESS, by 5 p.m. Eastern Standard Time.

In accordance with section 774 of the Act, the Department will hold a public hearing, if timely requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party. *See also* 19 CFR 351.310. Interested parties, who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, filed electronically using IA ACCESS, as noted above. An electronically filed document must be received successfully in its entirety by the Department's electronic records system, IA ACCESS, by 5 p.m. Eastern Standard Time within 30 days after the date of publication of this notice. *See* 19 CFR 351.310(c). Requests should contain the following information: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. 19 CFR 351.310(c). If a request for a hearing is made, we will inform parties of the scheduled date for the hearing which will be held at the U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230, at a time and location to be determined. *See* 19 CFR 351.310. Parties should confirm by telephone the date, time, and location of the hearing.

This determination is issued and published pursuant to sections 733(f) and 777(i)(1) of the Act.

Paul Piquado  
Assistant Secretary  
for Import Administration

Dated: May 23, 2012\_

## Appendix I

### Scope of the Investigation

This investigation covers welded carbon-quality steel pipes and tube, of circular cross-section, with an outside diameter (“O.D.”) not more than 16 inches (406.4 mm), regardless of wall thickness, surface finish (*e.g.*, black, galvanized, or painted), end finish (plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (*e.g.*, American Society for Testing and Materials International (“ASTM”), proprietary, or other) generally known as standard pipe, fence pipe and tube, sprinkler pipe, and structural pipe (although subject product may also be referred to as mechanical tubing). Specifically, the term “carbon quality” includes products in which: (a) iron predominates, by weight, over each of the other contained elements; (b) the carbon content is 2 percent or less, by weight; and (c) none of the elements listed below exceeds the quantity, by weight, as indicated:

- (i) 1.80 percent of manganese;
- (ii) 2.25 percent of silicon;
- (iii) 1.00 percent of copper;
- (iv) 0.50 percent of aluminum;
- (v) 1.25 percent of chromium;
- (vi) 0.30 percent of cobalt;
- (vii) 0.40 percent of lead;
- (viii) 1.25 percent of nickel;
- (ix) 0.30 percent of tungsten;
- (x) 0.15 percent of molybdenum;
- (xi) 0.10 percent of niobium;
- (xii) 0.41 percent of titanium;
- (xiii) 0.15 percent of vanadium;
- (xiv) 0.15 percent of zirconium.

Subject pipe is ordinarily made to ASTM specifications A53, A135, and A795, but can also be made to other specifications. Structural pipe is made primarily to ASTM specifications A252 and A500. Standard and structural pipe may also be produced to proprietary specifications rather than to industry specifications. Fence tubing is included in the scope regardless of certification to a specification listed in the exclusions below, and can also be made to the ASTM A513 specification. Sprinkler pipe is designed for sprinkler fire suppression systems and may be made to industry specifications such as ASTM A53 or to proprietary specifications. These products are generally made to standard O.D. and wall thickness combinations. Pipe multi-stenciled to a standard and/or structural specification and to other specifications, such as American Petroleum Institute (“API”) API-5L specification, is also covered by the scope of this investigation when it meets the physical description set forth above, and also has one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50mm) in outside diameter; has a galvanized and/or painted (*e.g.*, polyester coated) surface finish; or has a threaded and/or coupled end finish.

The scope of this investigation does not include: (a) pipe suitable for use in boilers, superheaters, heat exchangers, refining furnaces and feedwater heaters, whether or not cold drawn; (b) finished electrical conduit; (c) finished scaffolding;<sup>49</sup> (d) tube and pipe hollows for redrawing; (e) oil country tubular goods produced to API specifications; (f) line pipe produced to only API specifications; and (g) mechanical tubing, whether or not cold-drawn. However, products certified to ASTM mechanical tubing specifications are not excluded as mechanical tubing if they otherwise meet the standard sizes (*e.g.*, outside diameter and wall thickness) of standard, structural, fence and sprinkler pipe. Also, products made to the following outside diameter and wall thickness combinations, which are recognized by the industry as typical for fence tubing, would not be excluded from the scope based solely on their being certified to ASTM mechanical tubing specifications:

1.315 inch O.D. and 0.035 inch wall thickness (gage 20)  
1.315 inch O.D. and 0.047 inch wall thickness (gage 18)  
1.315 inch O.D. and 0.055 inch wall thickness (gage 17)  
1.315 inch O.D. and 0.065 inch wall thickness (gage 16)  
1.315 inch O.D. and 0.072 inch wall thickness (gage 15)  
1.315 inch O.D. and 0.083 inch wall thickness (gage 14)  
1.315 inch O.D. and 0.095 inch wall thickness (gage 13)  
1.660 inch O.D. and 0.047 inch wall thickness (gage 18)  
1.660 inch O.D. and 0.055 inch wall thickness (gage 17)  
1.660 inch O.D. and 0.065 inch wall thickness (gage 16)  
1.660 inch O.D. and 0.072 inch wall thickness (gage 15)  
1.660 inch O.D. and 0.083 inch wall thickness (gage 14)  
1.660 inch O.D. and 0.095 inch wall thickness (gage 13)  
1.660 inch O.D. and 0.109 inch wall thickness (gage 12)  
1.900 inch O.D. and 0.047 inch wall thickness (gage 18)  
1.900 inch O.D. and 0.055 inch wall thickness (gage 17)  
1.900 inch O.D. and 0.065 inch wall thickness (gage 16)  
1.900 inch O.D. and 0.072 inch wall thickness (gage 15)  
1.900 inch O.D. and 0.095 inch wall thickness (gage 13)  
1.900 inch O.D. and 0.109 inch wall thickness (gage 12)  
2.375 inch O.D. and 0.047 inch wall thickness (gage 18)  
2.375 inch O.D. and 0.055 inch wall thickness (gage 17)  
2.375 inch O.D. and 0.065 inch wall thickness (gage 16)  
2.375 inch O.D. and 0.072 inch wall thickness (gage 15)  
2.375 inch O.D. and 0.095 inch wall thickness (gage 13)  
2.375 inch O.D. and 0.109 inch wall thickness (gage 12)  
2.375 inch O.D. and 0.120 inch wall thickness (gage 11)  
2.875 inch O.D. and 0.109 inch wall thickness (gage 12)  
2.875 inch O.D. and 0.134 inch wall thickness (gage 10)

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<sup>49</sup> Finished scaffolding is defined as component parts of a final, finished scaffolding that enters the United States unassembled as a “kit.” A “kit” is understood to mean a packaged combination of component parts that contain, at the time of importation, all the necessary component parts to fully assemble a final, finished scaffolding.

2.875 inch O.D. and 0.165 inch wall thickness (gage 8)  
3.500 inch O.D. and 0.109 inch wall thickness (gage 12)  
3.500 inch O.D. and 0.148 inch wall thickness (gage 9)  
3.500 inch O.D. and 0.165 inch wall thickness (gage 8)  
4.000 inch O.D. and 0.148 inch wall thickness (gage 9)  
4.000 inch O.D. and 0.165 inch wall thickness (gage 8)  
4.500 inch O.D. and 0.203 inch wall thickness (gage 7)

The pipe subject to this investigation is currently classifiable in Harmonized Tariff Schedule of the United States (“HTSUS”) statistical reporting numbers 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5050, and 7306.50.5070. However, the product description, and not the HTSUS classification, is dispositive of whether the merchandise imported into the United States falls within the scope of the investigation.

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